

RESOLUTION NO. LPFA2012-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
LODI PUBLIC FINANCING AUTHORITY AUTHORIZING THE
ISSUANCE AND SALE OF 2012 REFUNDING LEASE REVENUE
BONDS TO REFINANCE OUTSTANDING 2002 CERTIFICATES OF
PARTICIPATION, AND APPROVING RELATED DOCUMENTS
AND OFFICIAL ACTIONS

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WHEREAS, the City of Lodi (the "City") has previously entered into a Trust Agreement dated as of January 1, 2002, with the Lodi Public Improvement Corporation and BNY Western Trust Company, as successor trustee, under which \$26,745,000 aggregate principal amount of Certificates of Participation (2002 Public Improvement Financing Project) (the "2002 Certificates") were executed and delivered for the purpose of financing and refinancing various municipal facilities of the City; and

WHEREAS, in order to take advantage of prevailing bond market conditions, the City Council wishes to authorize the refinancing of the 2002 Certificates; and

WHEREAS, to that end, the City has proposed to lease the real property constituting its new police building and Carnegie Forum, including land and improvements (the "Leased Property") to the Lodi Public Financing Authority (the "Authority") in consideration of the payment by the Authority of an upfront rental payment which is sufficient to provide funds to refinance the 2002 Certificates; and

WHEREAS, in order to raise funds for such purpose, the Authority proposes to issue and sell its Lodi Public Financing Authority 2012 Refunding Lease Revenue Bonds in the aggregate principal amount of not to exceed \$20,000,000 (the "Refunding Bonds") under Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code (the "Bond Law"); and

WHEREAS, in order to secure the payments of principal of and interest on the Refunding Bonds, the Authority proposes to lease the Leased Property back to the City under a Lease Agreement (the "Lease Agreement"), under which the City is obligated to pay semiannual lease payments as rental for the Leased Property, and the Authority will assign substantially all of its rights under the Lease Agreement to U.S. Bank National Association, as trustee for the Refunding Bonds; and

WHEREAS, the Board of Directors wishes at this time to approve all proceedings to which it is a party relating to the issuance and sale of the Refunding Bonds and assist the City in the refinancing of the 2002 Certificates.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Lodi Public Financing Authority as follows:

SECTION 1. Issuance of Refunding Bonds. The Board of Directors hereby authorizes the issuance of the Refunding Bonds under the Bond Law in the maximum principal amount of \$20,000,000 for the purpose of providing funds to refinance the 2002 Certificates. The Refunding Bonds shall be issued under the Bond Law and the Indenture of Trust that is approved below.

SECTION 2. Approval of Related Financing Agreements. The Board of Directors hereby approves each of the following agreements required for the issuance and sale of the Refunding Bonds and the refinancing of the 2002 Certificates, in substantially the respective forms on file with the Secretary together with any changes therein or additions thereto deemed advisable by the Executive Director, the Treasurer or the General Counsel (each, an "Authorized Officer"), whose execution thereof shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed for and on behalf of the Authority to execute, and the Secretary is hereby authorized and directed to attest, the final form of each such agreement, as follows:

- Indenture of Trust, between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), setting forth the terms and provisions relating to the Refunding Bonds.
- Site Lease, between the City as lessor and the Authority as lessee, under which the City leases the Leased Property to the Authority in consideration of the payment of an amount which will be applied by the City to refinance the 2002 Certificates.
- Lease Agreement, between the Authority as lessor and the City as lessee, under which the Authority leases the Leased Property back to the City and the City agrees to pay semiannual lease payments which are sufficient to provide revenues with which to pay principal of and interest on the Refunding Bonds when due; and
- Assignment Agreement, between the Authority and the Trustee, whereby the Authority assigns certain of its rights under the Lease Agreement to the Trustee for the benefit of the Refunding Bond owners.

SECTION 3. Negotiated Sale of Refunding Bonds. The Board of Directors hereby authorizes and directs the negotiated sale of the Refunding Bonds to JP Morgan and Stifel, Nicolaus & Company, Incorporated dba Stone & Youngberg, a Division of Stifel Nicolaus (collectively, the "Underwriter"). The Refunding Bonds shall be sold at such price and shall bear interest at such rates as shall produce a minimum net present value savings to the City of at least 3% of the principal amount of the outstanding 2002 Certificates, as such savings shall be verified and conclusively determined by the City's Financial Advisor (the "Minimum Savings Requirement"). The Underwriter's discount shall not exceed 1.0%.

SECTION 4. Official Statement. The Board of Directors hereby approves the preliminary Official Statement describing the Refunding Bonds in substantially the form on file with the Secretary. The Executive Director is hereby authorized and directed to approve any changes in or additions to said preliminary Official Statement and to execute an appropriate certificate stating the Executive Director's determination that the preliminary Official Statement (together with any changes therein or additions thereto) has been deemed nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934. Distribution of the preliminary Official Statement by the Underwriter is hereby approved. The Executive Director is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by the Executive Director shall be conclusive evidence of

approval of any such changes and additions. The Board of Directors hereby authorizes the distribution of the final Official Statement by the Underwriter. The final Official Statement shall be executed on behalf of the Authority by the Executive Director.

SECTION 5. Official Actions. The Chair, the Executive Director, the Treasurer, the General Counsel, the Secretary and all other officers of the Authority are each authorized and directed on behalf of the Authority to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance and other documents, which they or any of them deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. An Authorized Officer may revise the identity of the Leased Property as necessary in order to accomplish the purposes of this Resolution. Whenever in this resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf if such officer is absent or unavailable.

SECTION 6. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

Dated: August 1, 2012

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I hereby certify that Resolution No. LPFA2012-01 was passed and adopted by the Board of Directors of the Lodi Public Financing Authority in a regular/special joint meeting held August 1, 2012, by the following vote:

AYES: BOARD MEMBERS – Hansen, Johnson, Katzakian, Nakanishi,
and Chairperson Mounce

'NOES: BOARD MEMBERS – None

ABSENT: BOARD MEMBERS – None

ABSTAIN: BOARD MEMBERS – None


RANDI JOHL
Secretary

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